



Vodafone Qatar P.Q.S.C.

Financial results: Year ended 31 December 2021

03 February 2022

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QUARTERLY
HIGHLIGHTS

Hamad Al Thani
Chief Executive Officer



Executive Summary Key Messages



Turnaround Strategy is On Track

- **16 Consecutive Y/Y Quarterly Revenue Growth**
Total Revenue +14.8% FY'21 Y/Y
- **Net Profit Grows to QR327m in FY'21**
+77% FY'21 Y/Y



Infrastructure Readiness for FIFA 2022 World Cup

- **Vodafone is Getting Ready in All Stadiums and Venues**
Preparations en route to deliver an unparalleled telecom and digital event experience
- **Enhanced Coverage & Capacity**
+47% increase in Radio Access Network Sites since 2017



Healthier Revenue Mix

- **Capturing Quarter of the Market Revenue**
RMS reached 25.0% first time in Q3 FY'21
- **Strengthened & Diversified Revenue Mix**
Postpaid and Fixed driving service revenue growth, with Managed Services contributing to the growth



Empowering Customers by Digitalising Experience

- **Driving Digital Adoption**
Simplified & digitalized customer journeys, and enriched self-serve capabilities
- **Seamless Experiences**
Digital sales & home delivery and less time to connect customers



FINANCIAL

REVIEW

Masroor Anjum

Chief Financial Officer (Acting)



FY 2021 Financial Performance Highlights

Strong Revenue growth YoY

- Total Revenue grows 14.8% led by service revenue increase of 10.4%
- FY21 Q4 service revenue exceeded QR 600m for the first time

Cost control

- Despite significant expansion in mobile & fixed network and growth in customers, expenses (excl. equipment costs) remained largely stable, led by cost optimisation

Highest ever profitability levels in FY21

- Reported EBITDA Margin of 40.8%
- EBITDA surpassed QR 1 billion for the first time, 27.5% growth YoY
- Net Profit QR 327m, 76.9% growth YoY

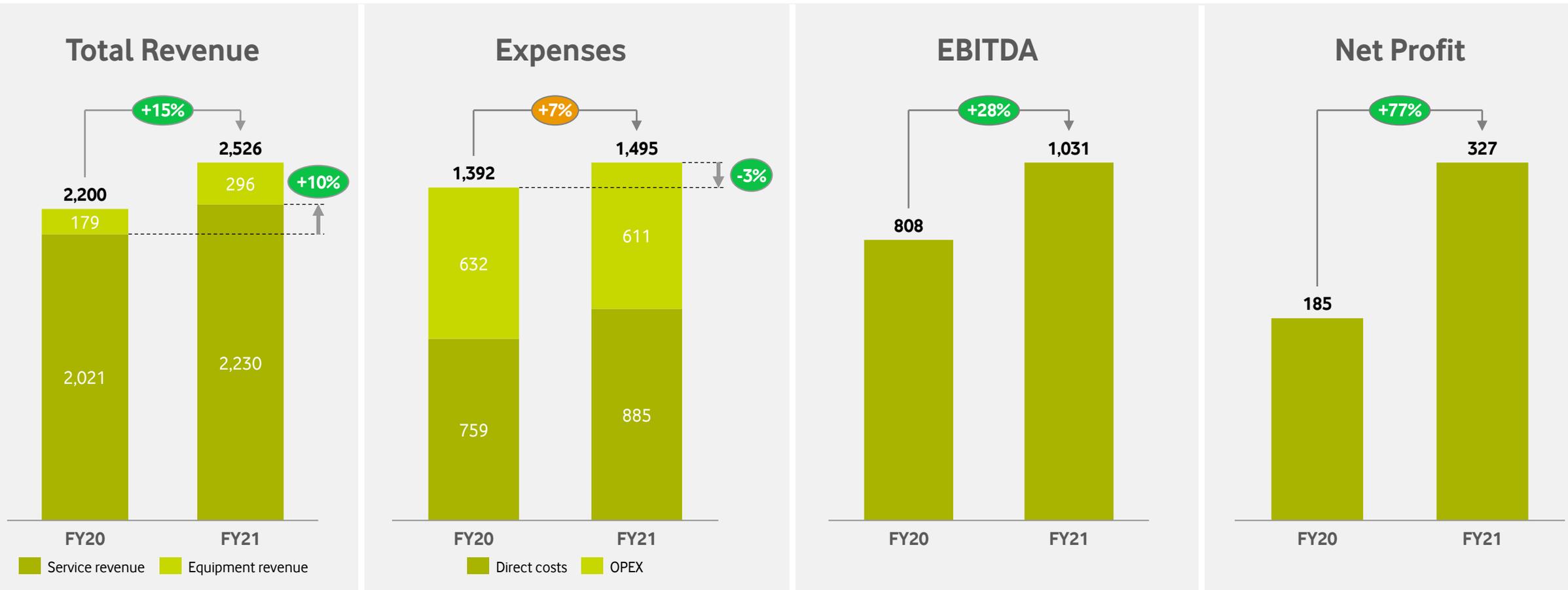
Growing mobility subscribers

- Mobility subscribers grew 16.3% YoY



FY 2021 Financial Performance

Year on Year | QRm



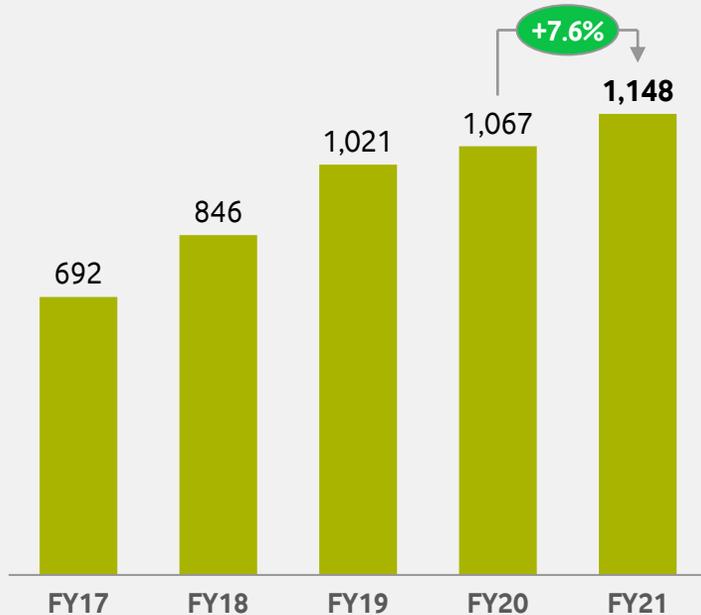
- 1 Total revenue grew 15% (QR 326m) led by service revenue growth of 10% and projects revenue
- 2 Expenses QR 103m higher primarily due to growth in direct cost corresponding to higher revenue offset by cost optimisation benefits
- 3 EBITDA QR 223m (28%) higher following higher service revenue growth. Reported **EBITDA Margin of 40.8%, 4.1 ppts higher YoY**
- 4 Net profit QR 142m or 77% higher, EBITDA flow through partially offset by higher depreciation and industry fees



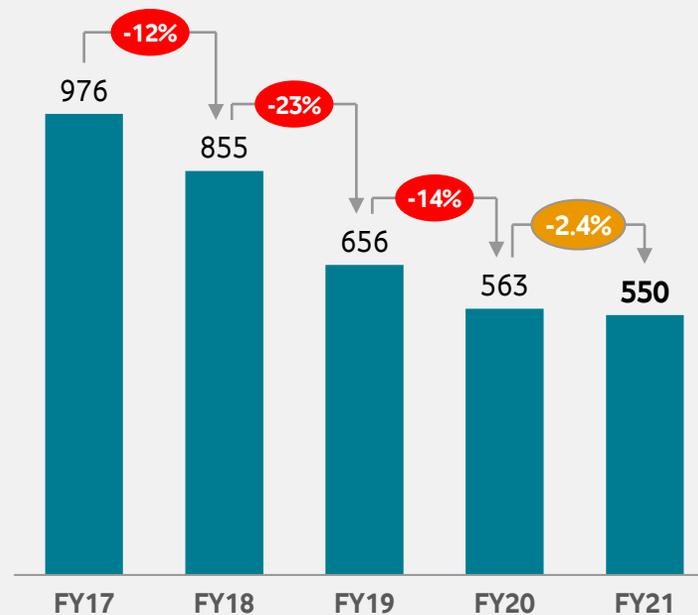
FY 2021 Financial Performance

Service Revenue | QRm

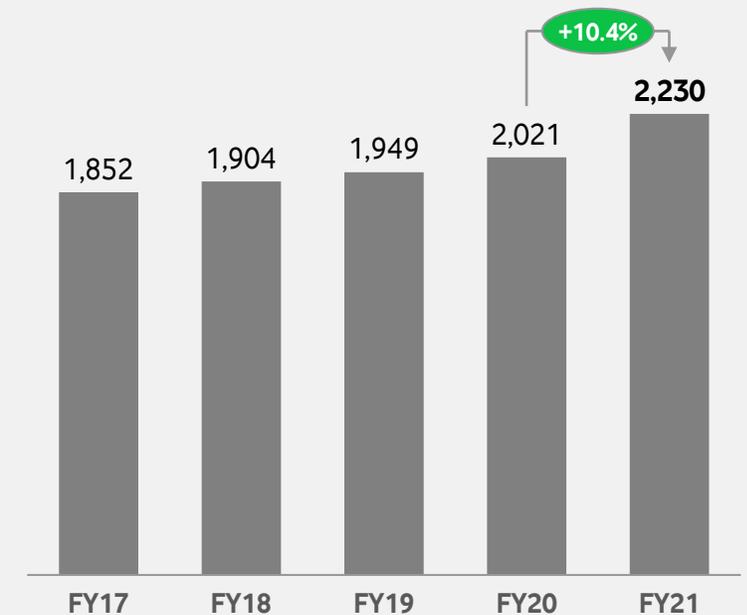
Postpaid Revenue



Prepaid Revenue



Total Service Revenue



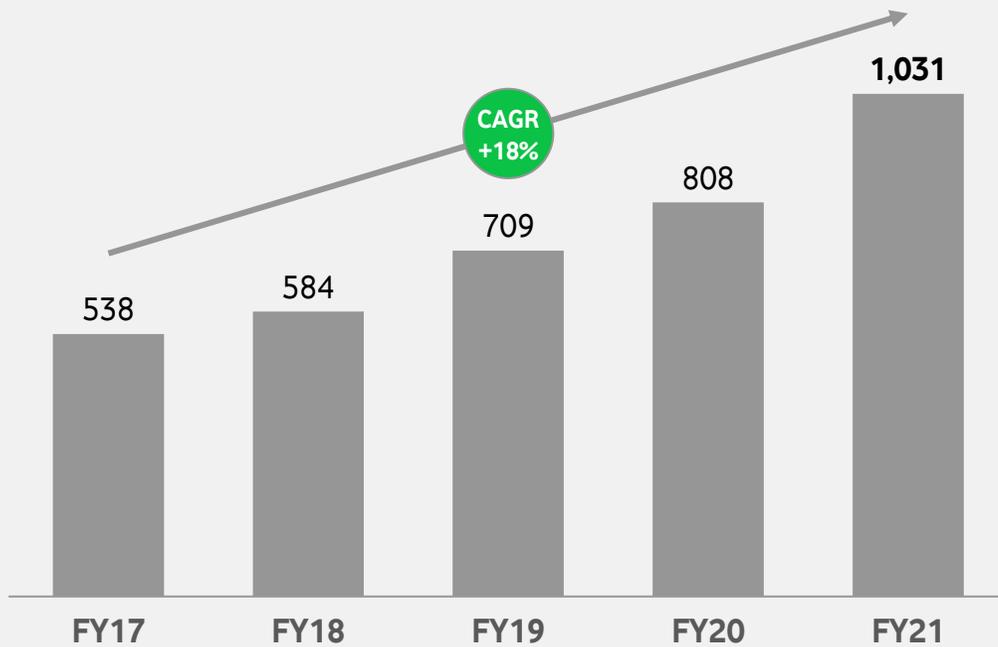
- 1 Postpaid revenue grew 7.6% YoY mainly driven by higher subscribers and ARPU
- 2 Prepaid revenue declined by 2.4% YoY due to lower ARPU in an overall declining market partially offset by impact of higher subscribers
- 3 Total service revenue 10.4% higher driven by growth in postpaid, fixed and other revenue segments



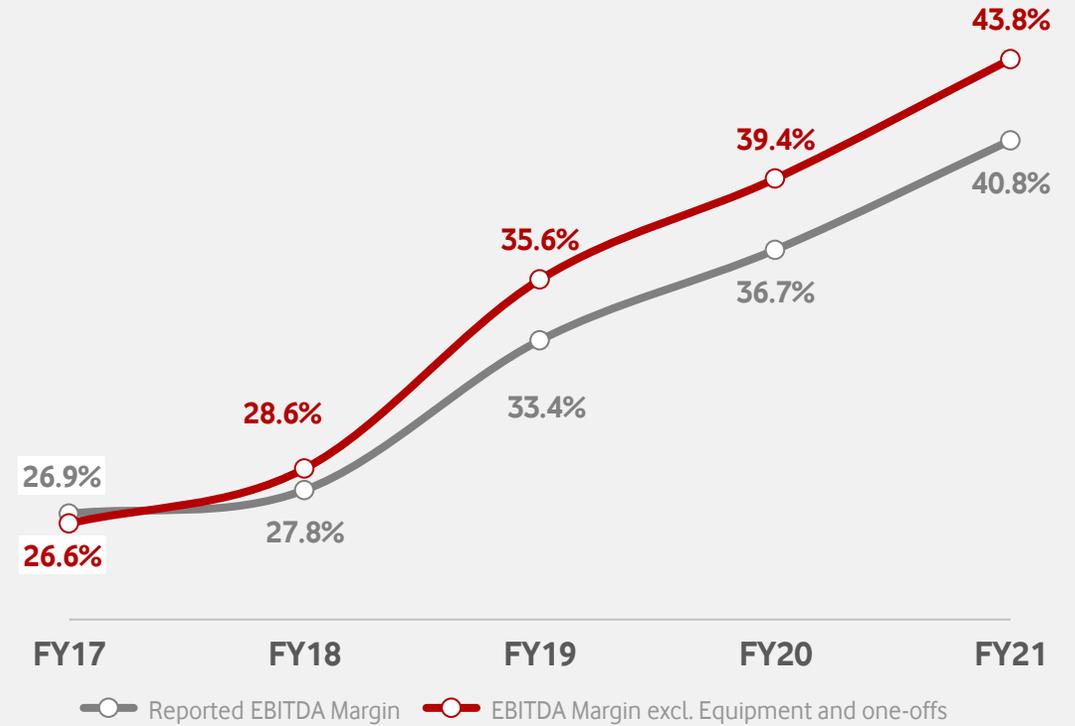
FY 2021 Financial Performance

EBITDA and EBITDA Margin Trends

EBITDA (QRm)



EBITDA Margin %

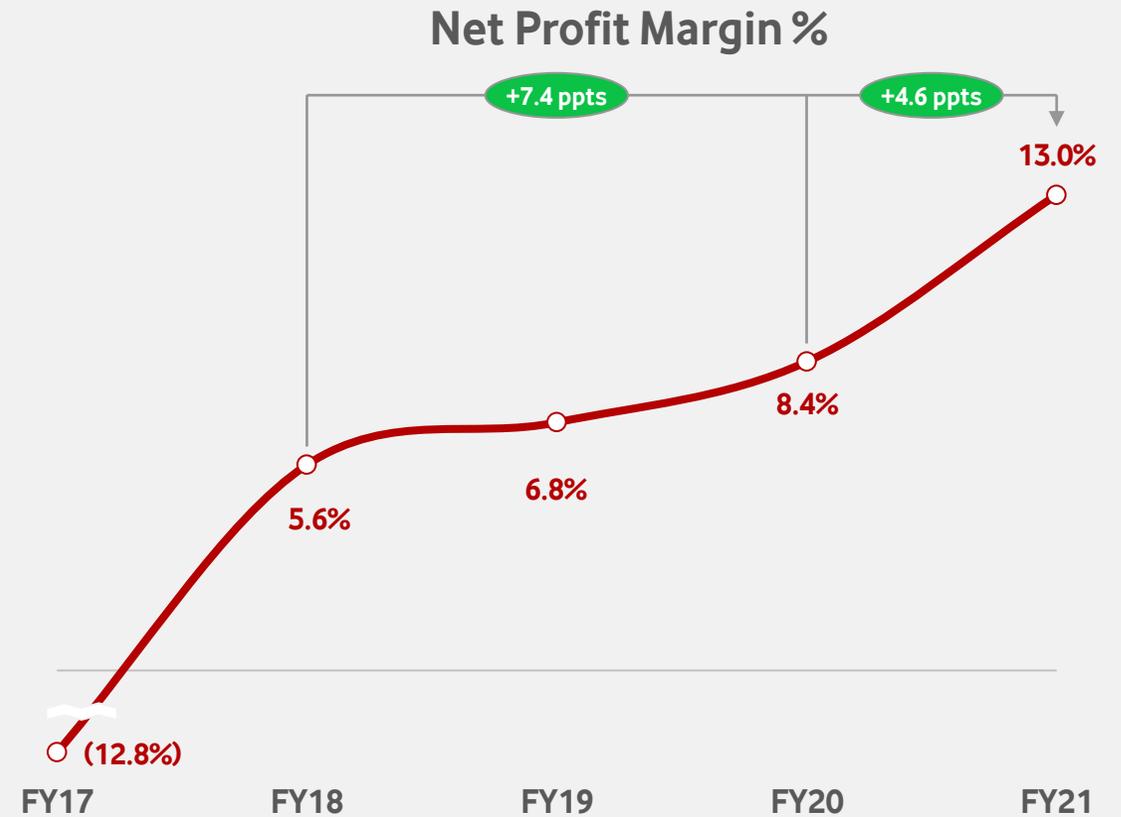
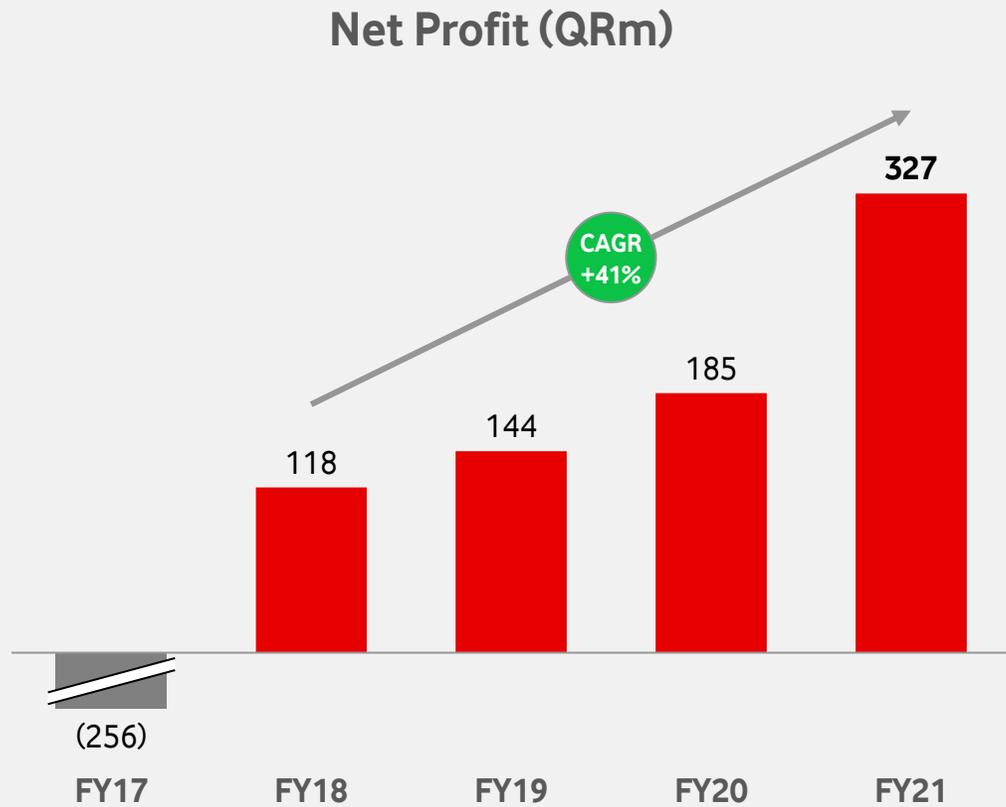


- 1 The EBITDA grew at a CAGR of 18% and is almost doubled since FY17
- 2 Reported EBITDA Margin at 40.8%, grew 4.1 pts YoY
- 3 Underlying EBITDA margin of 43.8% (growth of 4.4 pts YoY) led by growth in service revenue with continued cost optimisation



FY 2021 Financial Performance

Net Profit and Net Profit Margin Trends

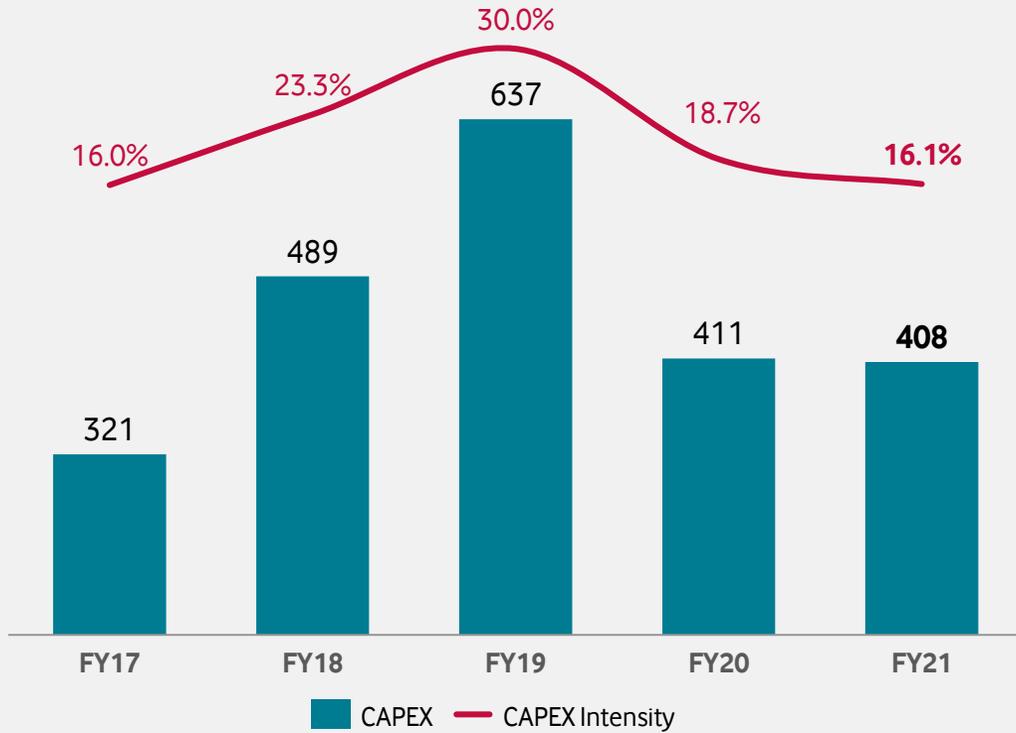


- 1 Net profit has grown at a CAGR of 41% since FY18
- 2 The net profit margin more than doubled since FY 2018 and grew 4.6 pts YoY in FY 2021

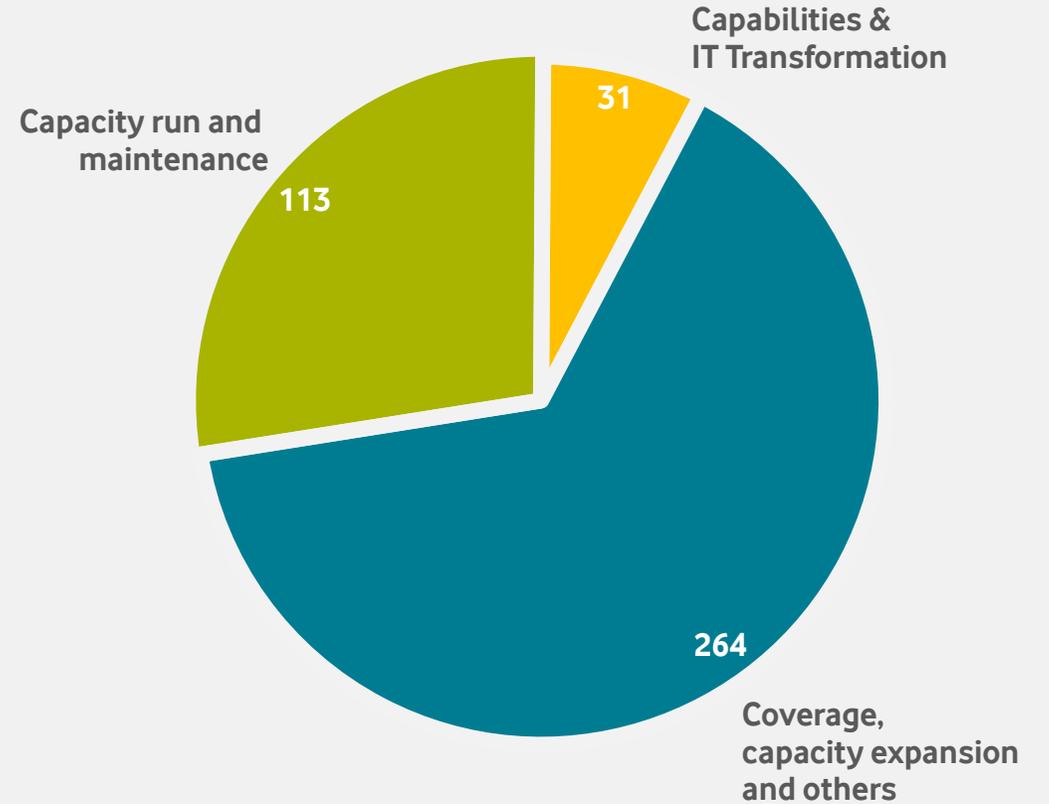


FY 2021 Financial Performance CAPEX | QRm

Total CAPEX



FY2021 CAPEX Mix



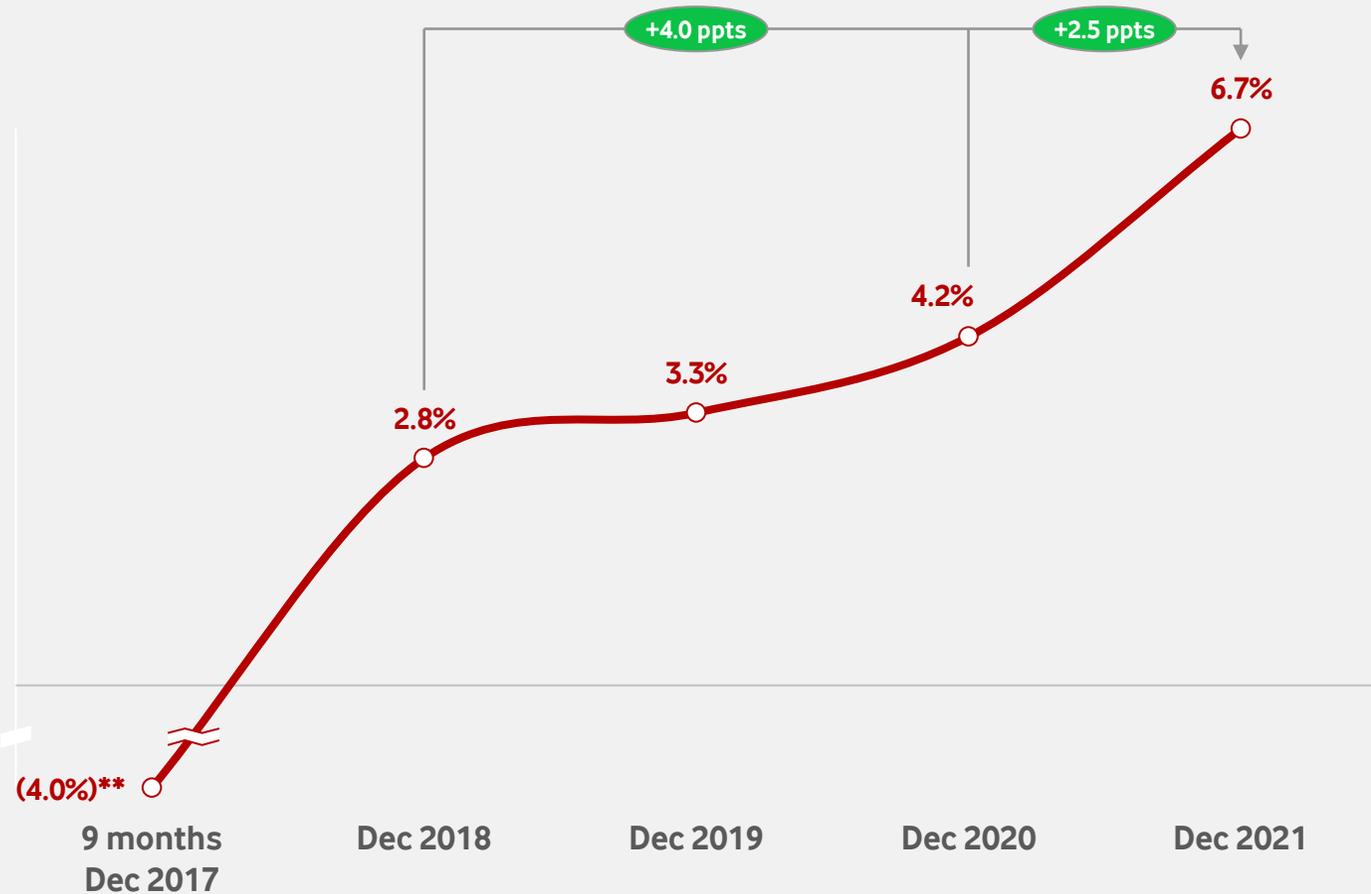
CAPEX investment QR 408m during FY21 focusing on:

- 1 Capacity expansion and coverage footprint enhancement
- 2 Enhancing digital capabilities and products
- 3 Investments to maintain the network



FY 2021 Financial Performance

Return on Capital Employed* [ROCE %]



- **ROCE improved +10.7 pts** since FY 17 to 6.7%
- The Company is continuously improving the returns to its shareholders **led by revenue growth and continued cost control**, delivering highest profitable growth



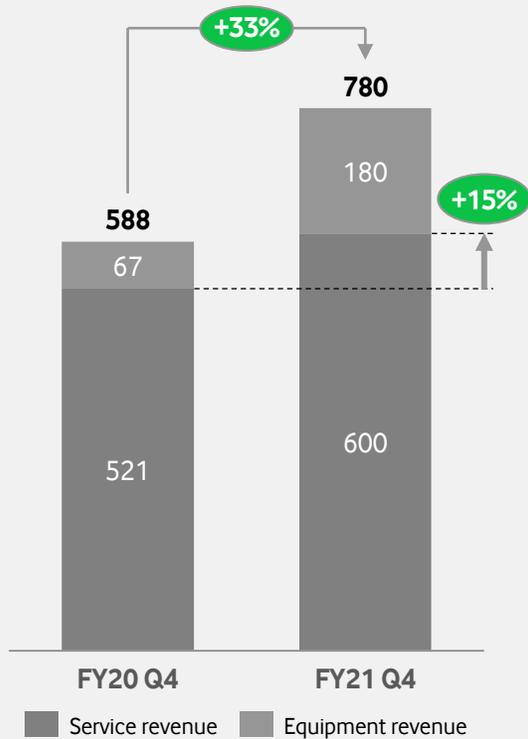
* ROCE calculated as: (Net Profit + financing cost on borrowings) / Average (Equity + Loans and borrowings)

** Annualised for full year impact

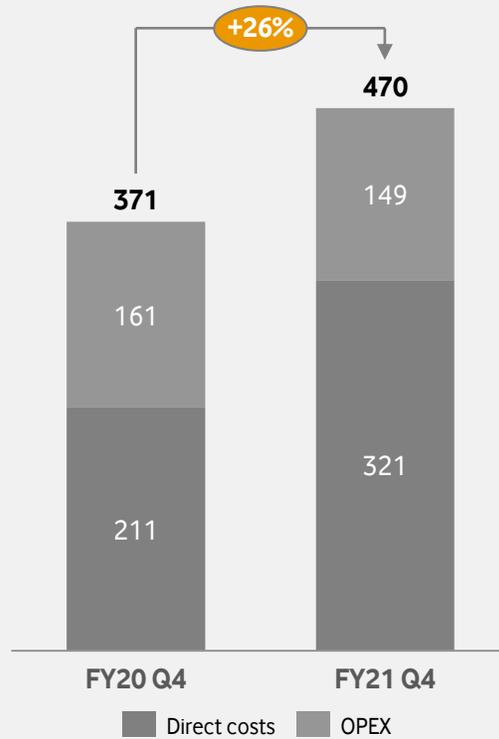
FY 2021 Financial Performance | Quarter 4

Year on Year | QRm

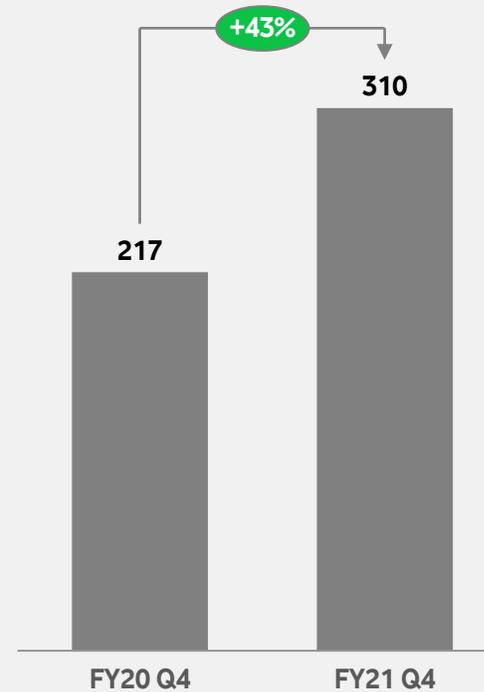
Total Revenue



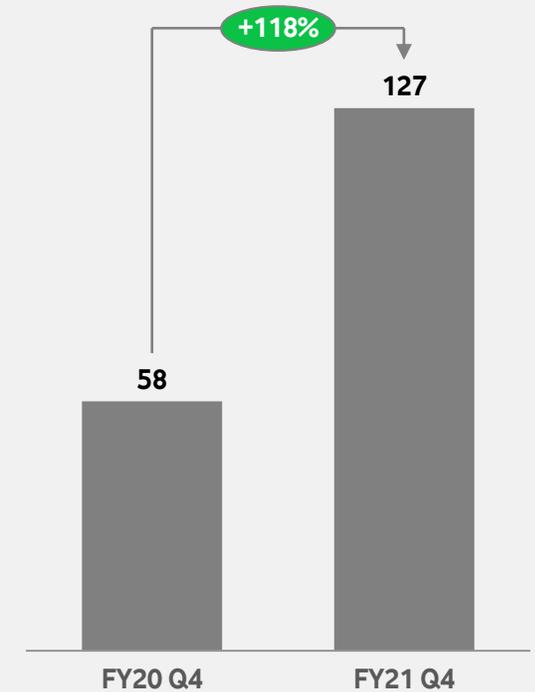
Expenses



EBITDA



Net Profit



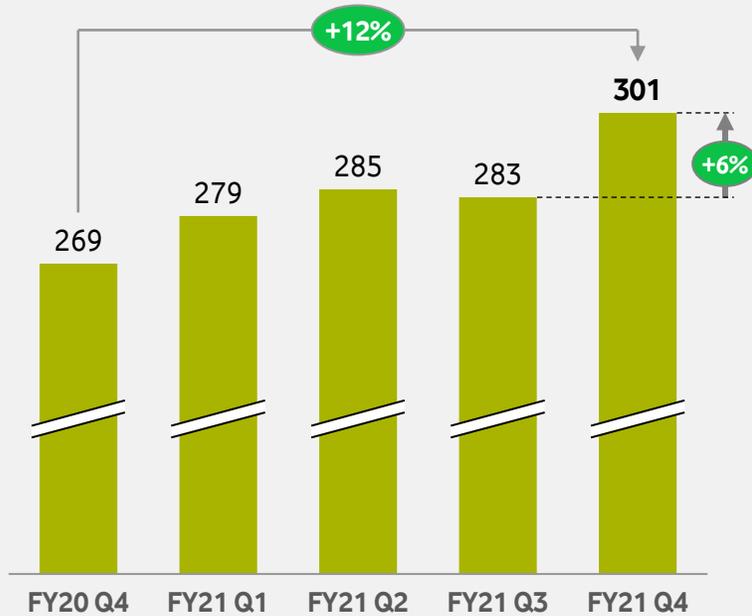
- 1 Total revenue grew 33% (QR 192m) led by service revenue growth of 15% and projects revenue
- 2 Expenses QR 99m higher due to growth in revenue partially offset by cost optimisation benefits
- 3 EBITDA QR 93m higher following higher service revenue. Reported EBITDA Margin of 39.8%, 2.9 ppts higher YoY
- 4 Net profit more than doubled following EBITDA flow through partially offset by higher depreciation



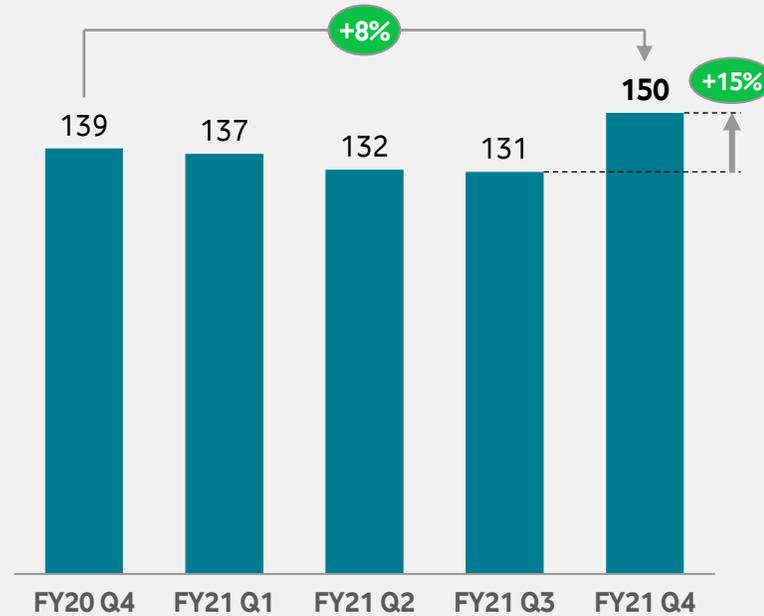
FY 2021 Financial Performance | Quarter 4

Service Revenue | QRm

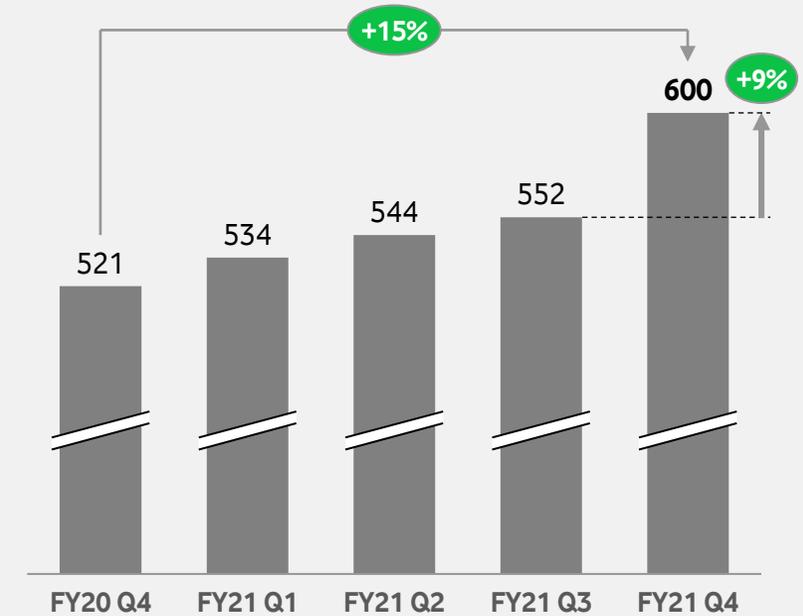
Postpaid Revenue



Prepaid Revenue



Total Service Revenue



- 1 Postpaid revenue grew 12% YoY mainly driven by higher subscribers and higher ARPU
- 2 Prepaid revenue increased 8% YoY due to higher subscribers



Consolidated Statement of Income

For the year ended 31 December 2021

QR m (unless otherwise stated)	Year ended		
	31 Dec 21	31 Dec 20	YoY
Consumer revenue	1,443	1,375	67
Enterprise, equipments and other revenue	1,083	824	259
Total revenue	2,526	2,200	326
Interconnection and other direct expenses	(856)	(724)	(132)
Expected credit losses	(29)	(35)	6
Network and other operational expenses	(368)	(404)	36
Employee salaries and benefits	(243)	(228)	(15)
Depreciation of property, plant and equipment	(337)	(262)	(75)
Amortisation of intangible assets	(190)	(178)	(12)
Depreciation of right-of-use assets	(101)	(99)	(2)
Loss on disposal of property, plant and equipment	(1)	-	(1)
Industry fee	(39)	(21)	(18)
Operating profit	363	248	115
Finance costs	(30)	(40)	9
Other financing costs	(6)	(25)	19
Other income	1	2	(0)
Profit for the year	327	185	142
Basic and diluted earnings per share (in QR per share)	0.077	0.044	0.033

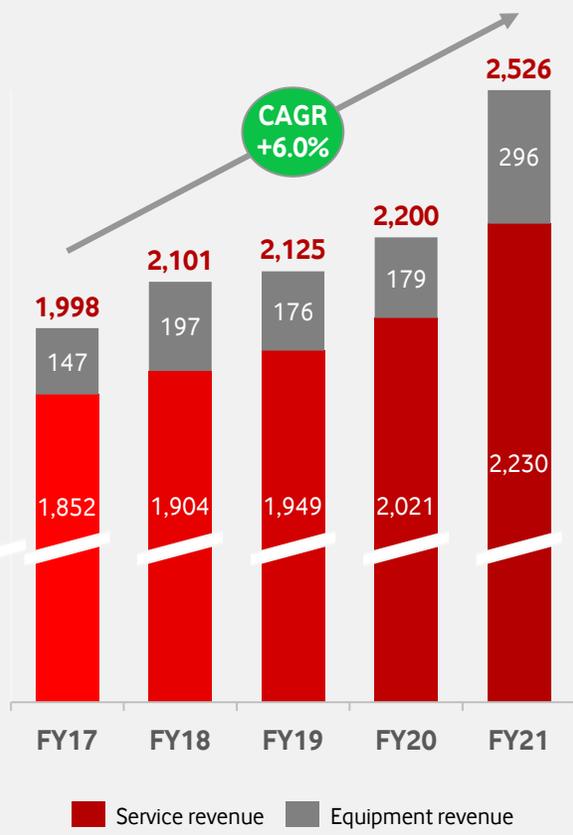
- **Total revenue grew 15% (QR 326m)** led by service revenue growth of 10% and projects revenue
- **Interconnect and other direct expenses QR 132m higher** primarily due to growth in direct cost corresponding to higher revenues
- **Expected credit losses QR 6m lower**, despite growth in billed revenue resulting from better credit control
- **Network and other operational expenses decreased by QR 36m** due to optimisation benefits and one-off credit despite increase in fixed and 5G operational costs
- **Employment costs QR 15m higher** largely driven by insourcing (benefit in other operational expenses)
- **Depreciation and amortization QR 89m higher** as a result of CAPEX investment and accelerated depreciation of old assets
- **Finance costs decreased by QR 9m** due to reduction in interest rates & lower outstanding debt
- **Other financing costs decreased by QR 19m** primarily due to a one-off benefit on settlement of old dues



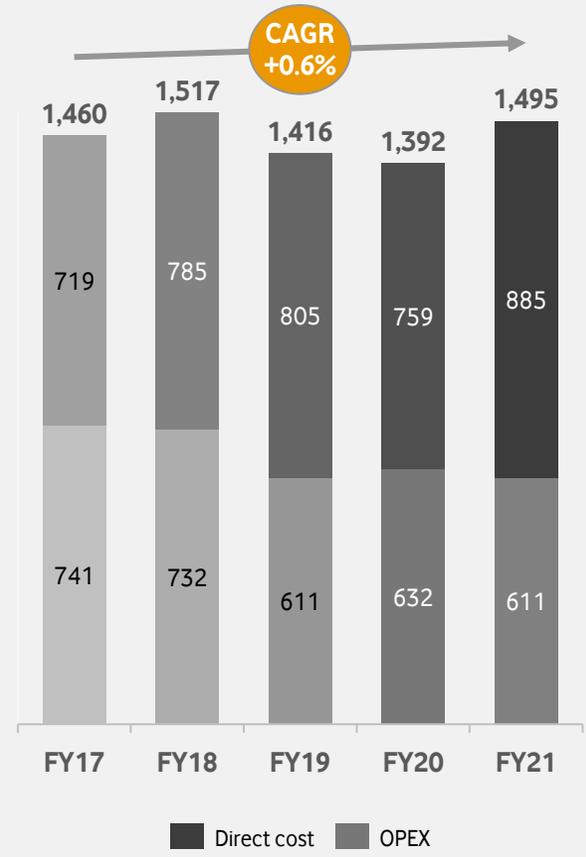
Note: The reported numbers and YoY variances are rounded to the nearest millions.

FY 2021 Financial Performance Year on Year | QRm

Total revenue



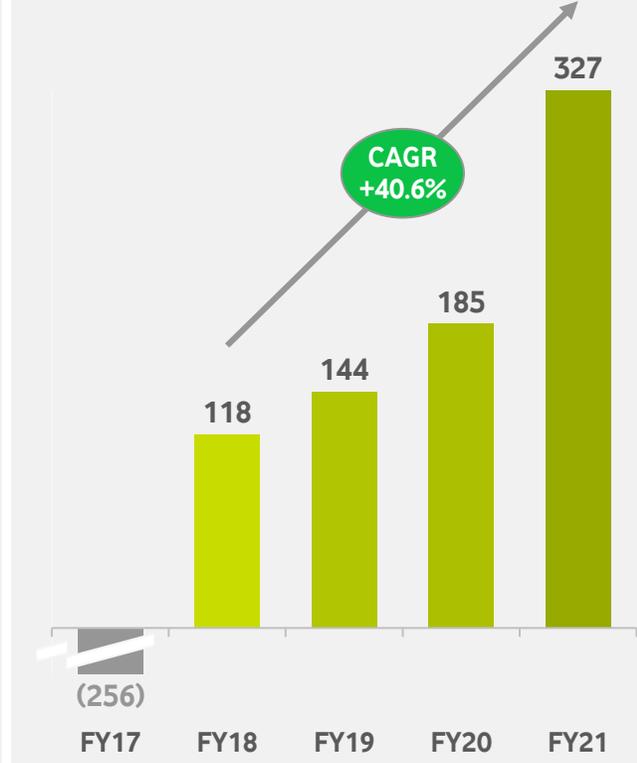
Expenses



EBITDA



Net profit



APPENDIX



Consolidated Statement of Financial Position

As at 31 December 2021

QR m (unless otherwise stated)	31 Dec 21	31 Dec 20	Var
Property, plant and equipment	1,638	1,647	(9)
Intangible assets	4,169	4,280	(111)
Right-of-use assets	291	372	(80)
Trade and other receivables	92	27	65
Total non-current assets	6,190	6,325	(135)
Inventories	35	22	13
Trade and other receivables	430	304	126
Cash and bank balances	190	175	15
Total current assets	654	501	153
Total assets	6,844	6,826	18
Share capital	4,227	4,227	-
Legal reserve	97	76	21
Retained earnings	273	185	87
Total equity	4,596	4,489	108
Loans and borrowings	506	613	(106)
Lease liabilities	197	283	(86)
Provisions and trade payables	83	101	(18)
Total non-current liabilities	786	997	(210)
Loans and borrowings	206	207	(0)
Lease liabilities	136	113	23
Trade and other payables	1,119	1,022	98
Total current liabilities	1,461	1,341	121
Total equity and liabilities	6,844	6,826	18

Assets

- **Property, plant and equipment and intangibles decreased QR 120m** due to depreciation and amortisation QR 527m partially offset by CAPEX of QR 408m
- **Right of use assets decreased by QR 80m** as a result of depreciation QR 101m offset by new leases QR 20m
- **Trade and other receivables QR 191m higher** due to growth in postpaid and fixed revenue coupled with impact of project revenue receivables.
- **Cash and bank balances QR 15m higher**

Equity

- **Equity increased by QR 108m** led by net profit for the period offset by dividend payment

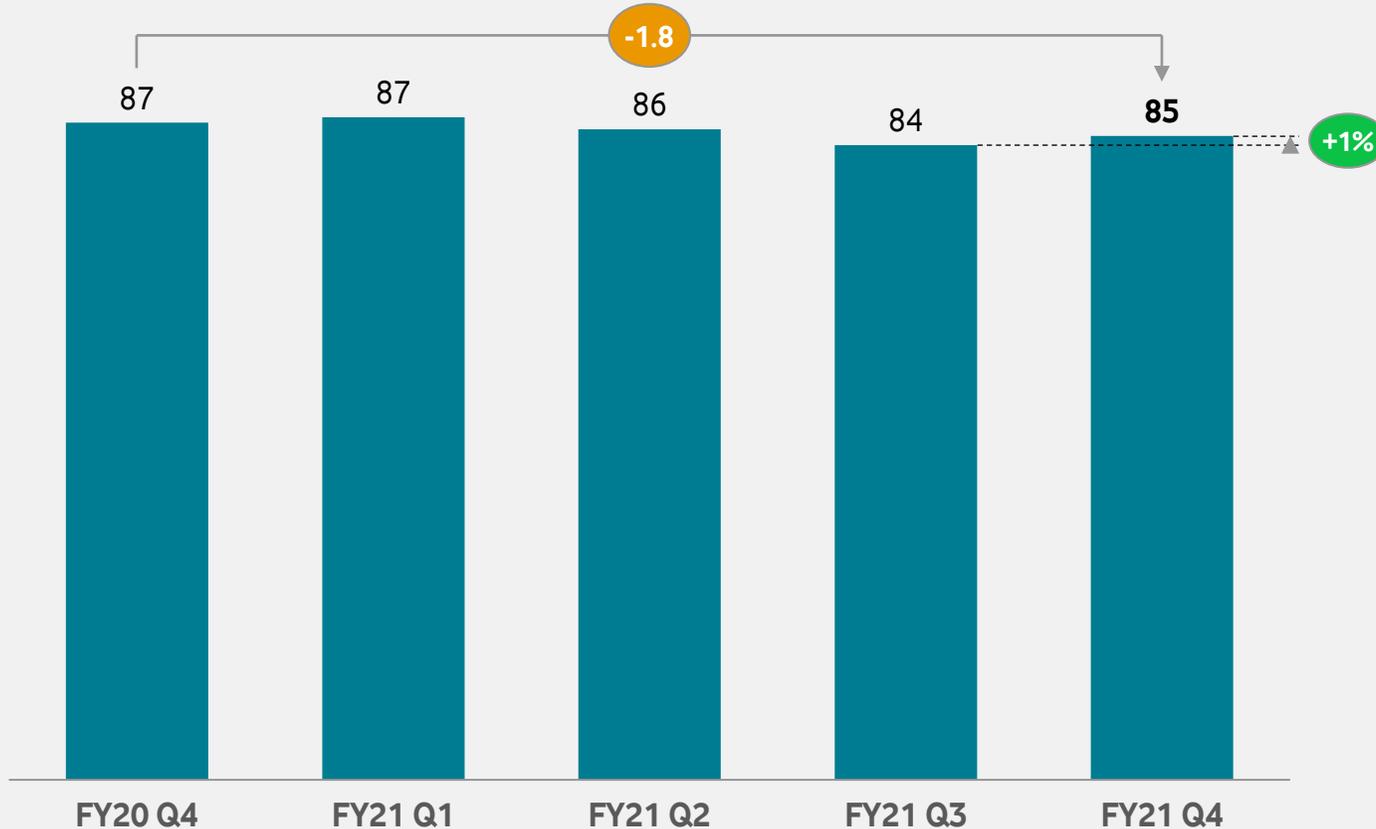
Liabilities

- **Loans and borrowings QR 106m lower**
- **Lease liabilities QR 63m lower** due to lease payments QR 97m partially offset by lease unwinding QR 15m and new leases QR 20m
- **Provisions, trade and other payables increased QR 80m** due to project payables and timing of other vendor payments



FY 2021 Financial Performance | Quarter 4

Mobility ARPU | QR



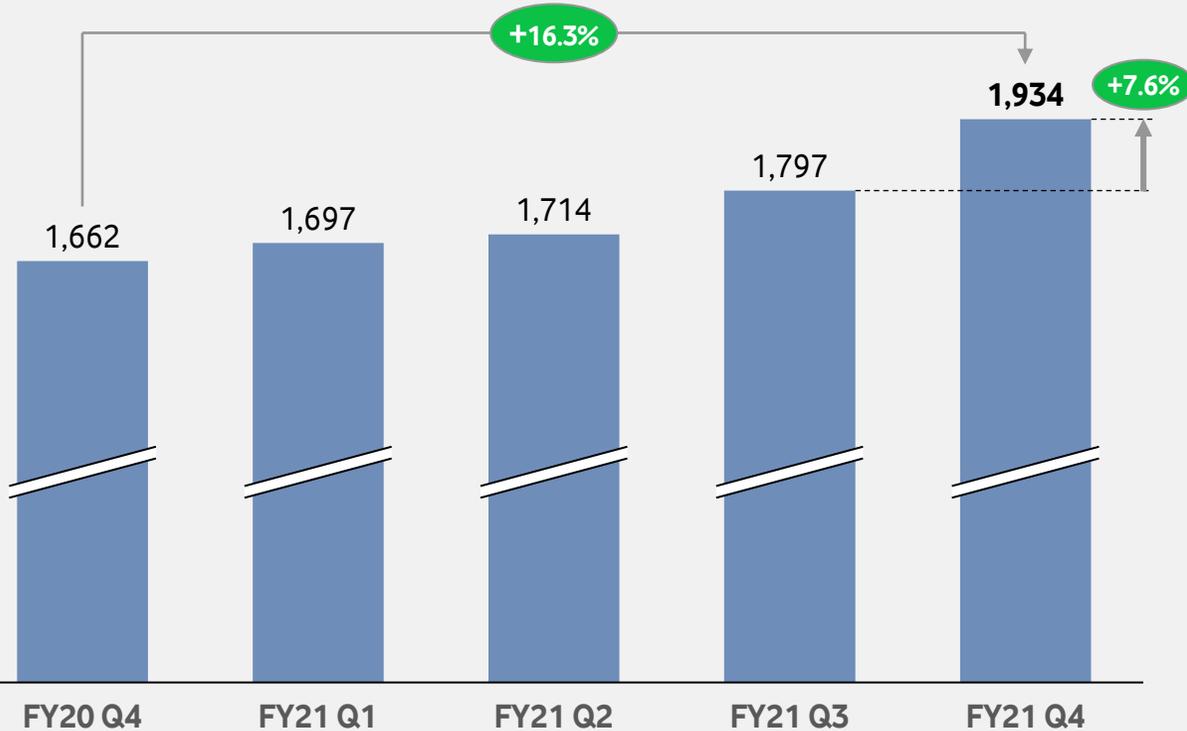
Mobility ARPU decreased QR 1.8 YoY as a result of lower prepaid ARPU and higher mix of prepaid subscribers in overall customer base



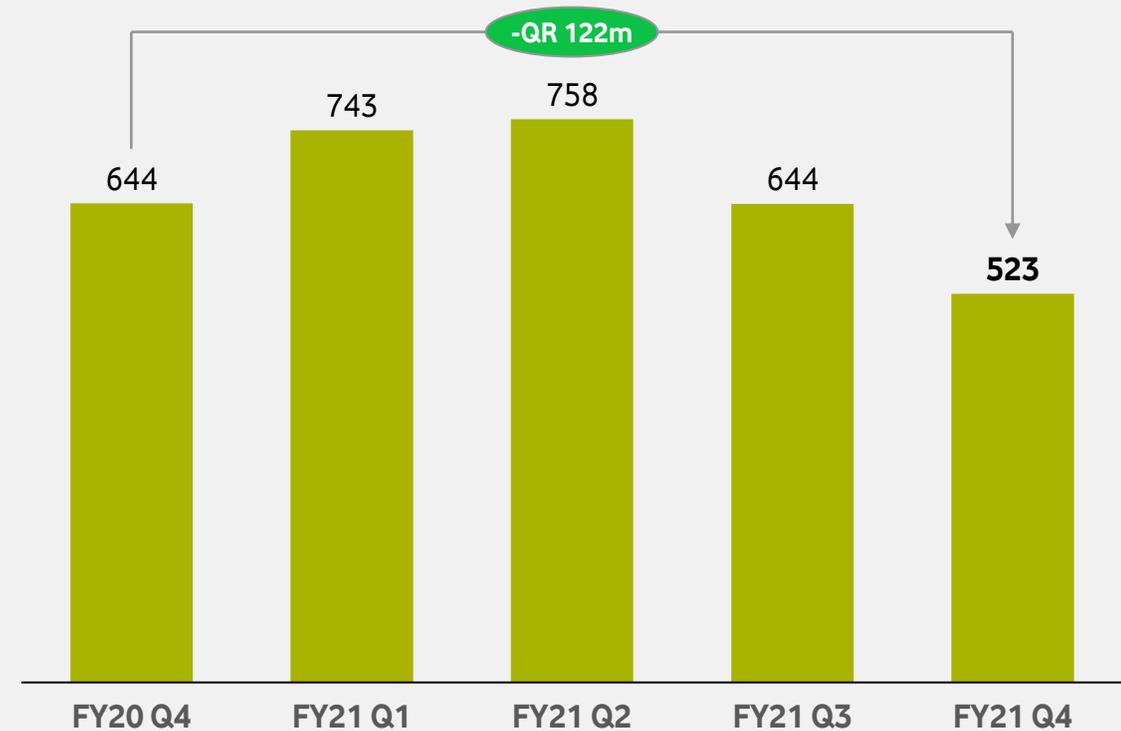
FY 2021 Financial Performance | Quarter 4

Mobile Customers & Net Debt

Mobile Customers
(‘000)



Net Debt
(QRm)



For more information visit our website:

www.vodafone.qa/en/investor-relations

Or email us:

InvestorRelationsQatar@vodafone.com

